MACKAYE HARBOR WATER DISTRICT BOARD OF COMMISSIONERS MINUTES

REGULAR MEETING - SEPTEMBER 21, 2026

Date:	September 21, 2026
Time:	1:00 PM
Meeting called to order by:	San Olson

CALL TO ORDER

The Board of Commissioners for MacKaye Harbor Water District met on September 21st, 2026, at the residence of San Olson - 481 Barlow Bay Rd; San Olson called the meeting to order at 1:02 p.m. and confirmed a quorum.

IN ATTENDANCE

Present were commissioners San Olson, Walt Krumbholz, and Scott Allen; Manager, Wayne Haefele; and clerk Alice Faulkner.

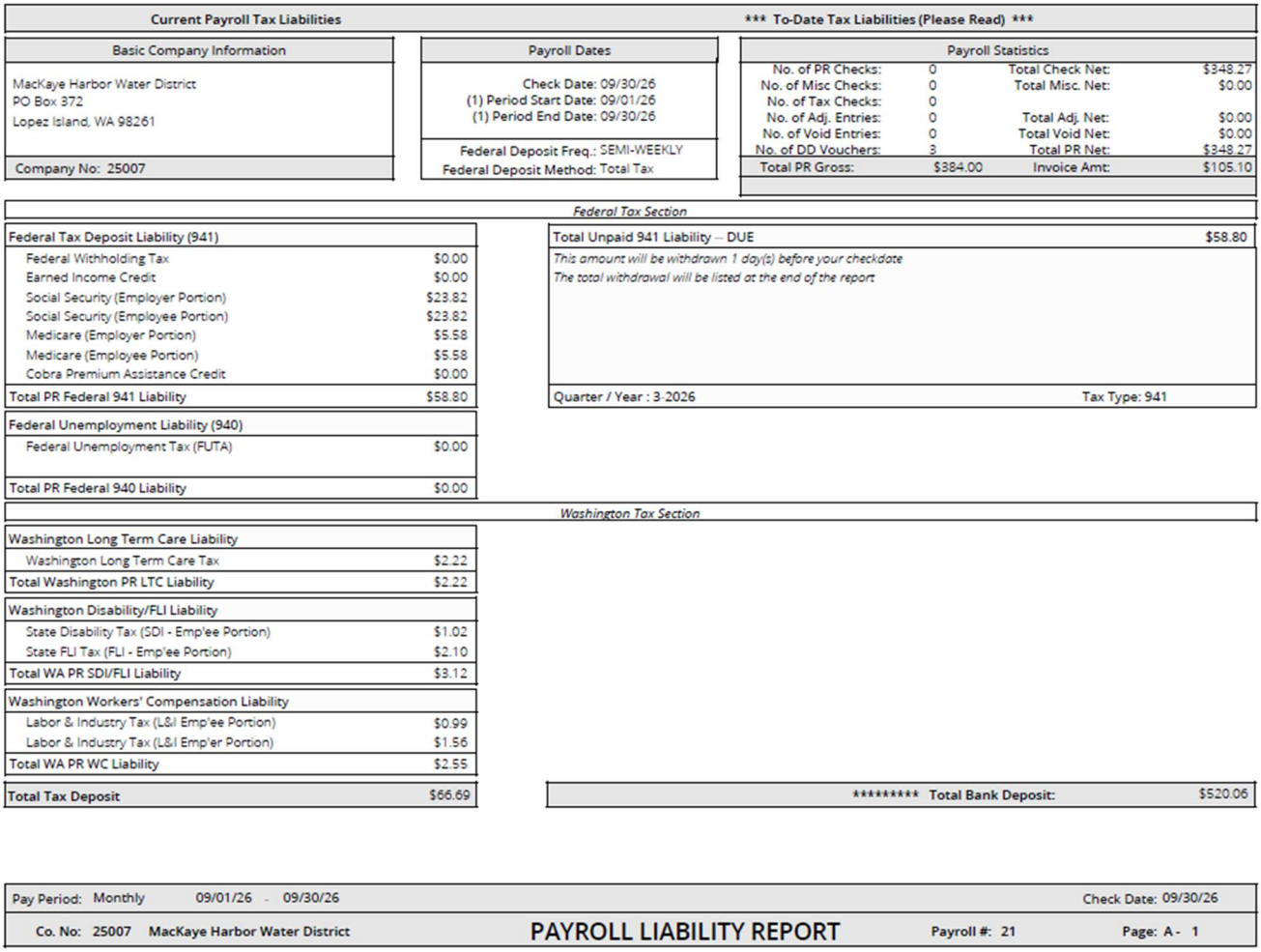
REGULAR BUSINESS

Approval of Minutes

The August 17 minutes were approved unanimously without correction.

Approval of Vouchers and Payroll

Faulkner distributed the September payroll; no corrections were requested; the payroll was unanimously approved in the amount of $384.00 for a total payroll cost of $520.06.



Current Payroll Tax Liabilities		*** To-Date Tax Liabilities (Please Read) ***	

Basic Company Information	Payroll Dates	Payroll Statistics			
MacKaye Harbor Water District PO Box 372 Lopez Island, WA 98261	Check Date: 09/30/26 (1) Period Start Date: 09/01/26 (1) Period End Date: 09/30/26	No. of PR Checks:	0	Total Check Net:	$348.27
		No. of Misc Checks:	0	Total Misc. Net:	$0.00
		No. of Tax Checks:	0		
		No. of Adj. Entries:	0	Total Adj. Net:	$0.00
		No. of Void Entries:	0	Total Void Net:	$0.00
		No. of DD Vouchers:	3	Total PR Net:	$348.27
Company No: 25007	Federal Deposit Freq.: SEMI-WEEKLY Federal Deposit Method: Total Tax	Total PR Gross:	$384.00	Invoice Amt:	$105.10

Federal Tax Section

Federal Tax Deposit Liability (941)	
Federal Withholding Tax	$0.00
Earned Income Credit	$0.00
Social Security (Employer Portion)	$23.82
Social Security (Employee Portion)	$23.82
Medicare (Employer Portion)	$5.58
Medicare (Employee Portion)	$5.58
Cobra Premium Assistance Credit	$0.00
Total PR Federal 941 Liability	$58.80

Federal Unemployment Liability (940)	
Federal Unemployment Tax (FUTA)	$0.00
Total PR Federal 940 Liability	$0.00

Total Unpaid 941 Liability -- DUE	$58.80
This amount will be withdrawn 1 day(s) before your checkdate	
The total withdrawal will be listed at the end of the report	
Quarter / Year : 3 2026	Tax Type: 941

Washington Tax Section

Washington Long Term Care Liability	
Washington Long Term Care Tax	$2.22
Total Washington PR LTC Liability	$2.22

Washington Disability/FLI Liability	
State Disability Tax (SDI - Emp'ee Portion)	$1.02
State FLI Tax (FLI - Emp'ee Portion)	$2.10
Total WA PR SDI/FLI Liability	$3.12

Washington Workers' Compensation Liability	
Labor & Industry Tax (L&I Emp'ee Portion)	$0.99
Labor & Industry Tax (L&I Emp'er Portion)	$1.56
Total WA PR WC Liability	$2.55

Total Tax Deposit	$66.69

********* Total Bank Deposit:	$520.06

Pay Period: Monthly 09/01/26 - 09/30/26		Check Date: 09/30/26
Co. No: 25007 MacKaye Harbor Water District	**PAYROLL LIABILITY REPORT**	Payroll #: 21 Page: A - 1

Faulkner distributed the September claims; the claims were unanimously approved in the amount of $3,843.09.

apChkLst 09/29/2026 10:51:37AM — Final Check List, San Juan County — Page: 1

Bank : apbank BANNER BANK

Check #	Date	Vendor		Invoice	Inv Date	Description	Amount Paid	Check Total
301859	9/29/2026	cen480	CENTURYLINK / LUMEN	300497055	9/6/2026	TELEPHONE	106.99	106.99
301860	9/29/2026	orc830	OPALCO	9561701	9/15/2026	ELECTRICITY	164.89	
				9561700	9/15/2026	ELECTRICITY	161.66	326.55
301861	9/29/2026	j00340	STREAMLINE SOFTWARE LL	386398	9/1/2026	WEBSITE	227.63	227.63
301862	9/29/2026	j00155	TRUE BLOOM COOPERATIV	1552	9/1/2026	BOOKKEEPING SERVICES	1,426.40	1,426.40
301863	9/29/2026	uti245	UTILITIES UNDERGROUND L	6080483	8/31/2026	UTILITIES LOCATE	5.52	5.52
301864	9/29/2026	j00389	WAYNE HAEFELE & ASSOCI	1041	9/1/2026	MANAGER	1,750.00	1,750.00
						Sub total for BANNER BANK:		3,843.09

Financial Report

Faulkner reported that total revenue for the period including investment interest came to $22,169.50; year to date total came to $108,733.40; expenditures for the period came to $4,636.09 leaving $39,714.71 in the general fund and $5,100.00 in the investment pool. Faulkner noted the following:

- Approx. $6000 still outstanding from July billings; late fees to be issued.
- Water billings budget on track to exceed by approx. $5,000
- EPA Draw 27 (~$16,000) submitted Thursday 9/17, awaiting receipt, expected within 1-2 days.
- The Commissioners unanimously approved a motion authorizing Faulkner to transfer up to $20,000 from the general fund to the investment pool.

Manager's Report

Haefele reported that San Juan County had contacted him regarding planned work on the road at Agate Beach that would impact the pipeline there:

Agate Beach Road Project and Pipeline Replacement

- County lowering road grade due to archaeological and wetland constraints; cannot change alignment
- Effect on water line: pipe would be left in midair; must be replaced from west end of Agate Beach Park to Flint Road
- Pipe will need to go under the road (no shoulder, ditch, or parkway once grade is lowered)
- Will specify DR-11 HDPE; highly durable
- Must meet county compaction standards; compaction testing likely required
- Estimated length: ~1,200 ft (over 3 football fields)
- Estimated cost: roughly comparable to Agate Beach Lane job (significant)
- Prevailing wage rates apply; must go out to bid as a public works contract
- Interim plan: lay fused polyethylene pipe on surface through woods, outside road limits; kick into trench when ready
- Only one water service within the project limits (at the intersection)
- OPALCO lines believed to be underground in this section; worth pursuing cost-sharing
- Microsoft Teams meeting with Public Works scheduled for next week; OPALCO, Rock Island, and others invited; Commissioners welcome to attend
- Olson suggested raising the long-term road retreat study at the meeting

Commissioner's Reports

None

Public Comment

None

Commissioners' Additions to the Agenda

Krumbholz announced that he would no longer be a full-time resident of Lopez Island as of the beginning of January 2027 and therefore no longer eligible to represent MHWD as a commissioner.

- Replacement must be a customer and permanent resident
- The commissioners discussed possible replacements
- Question raised: can the district operate with only two commissioners? To be checked with Secretary of State's office
- Plan: draft a letter inviting customer interest in the commissioner role, reviewed before sending

UNFINISHED BUSINESS

Discuss EPA Grant

- Draw 27 pending receipt; covers Phase 2 project work using Phase 1 EPA funds
- $30K remaining in Phase 1 EPA budget; not lost after Sept 30 deadline, just inaccessible until Phase 2 approved
- Budget narrative resubmitted to Amy Williams today; Shannon and Wilson amount zeroed out per her request
- Phase 2 approval held up by EPA review of engineering submittal; NEPA review status still unknown after 3 months
- Williams had asked if MHWD had gone out to bid yet; answer is no, cannot bid without approved funds

- Rep. Larson meeting recap:
    - Larson was unaware of project troubles until recently; arranged EPA regional director meeting
    - Haefele noted tank was excluded from EPA-funded work; Larson asked assistant to flag it for the next earmark
    - Larson remains the key advocate; team to keep him informed
    - Heather Kahn (EPA) retiring end of September; no longer an alternate EPA contact

New Business

2027 Budget; the commissioners reviewed the current 2026 budget line by line and discussed/flagged needed changes and information that would be required before making final decisions about 2027. Faulkner will prepare a draft budget for the October meeting and track down the information needed. Public approval of the 2027 Budget will be held in November.

ADJOURNMENT

Olson declared the meeting adjourned at 3:04 PM.

APPROVAL OF MINUTES

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Commissioner, San Olson District Clerk, Alice Faulkner